

FISCAL NOTE

HB 253 - SB 452

February 28, 2007

SUMMARY OF BILL: Establishes Tennessee combat veteran's scholarship funded from net proceeds of the state lottery.

ESTIMATED FISCAL IMPACT:

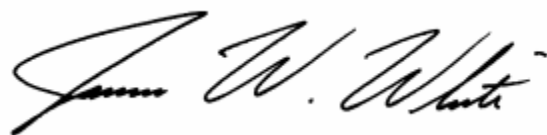
Other Fiscal Impact - Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$16,860,000 in FY07-08 and by \$18,540,000 in FY08-09.

Assumptions:

- According to the Military Department, there are approximately 14,000 Tennessee combat veterans who served in Operation Desert Storm, Iraqi Freedom, and Enduring Freedom.
- The number of veterans who separated from active duty without joining the Tennessee Air or National Guard is estimated to be an additional 20% or 2,800.
- The potential number of recipients of this scholarship is estimated to be 16,800.
- An estimated 20% or 3,360 of these veterans will utilize the award since there are no academic standards to meet to initially receive the award.
- The average award per recipient is estimated to be \$5,000.
- It is assumed that veterans from World Wars I and II, the Korean Conflict, and the Vietnam War would have minimal, if any, participation.
- Implementation of this new scholarship program would require TSAC to hire an additional staff member at an annual cost of \$58,320.
- The second year cost assumes a 10% increase in participation.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director